

One Billion Travel Dollars Go Abroad

EXPENDITURES by United States residents in foreign countries, with the fares paid to foreign ships and planes, increased to about \$1 billion in 1952. In addition, United States residents paid about \$180 million to United States international carriers.

During the entire postwar period tourist expenditures in foreign countries and fare payments to foreign carriers have increased by an average of about \$86 million per year, but the upward trend was somewhat slower during the more

recent years. The rise from 1950 through 1952 averaged \$62 million.

The trend of expenditures has varied significantly by individual areas or countries. Until recently, expenditures in Canada had been nearly stable since 1948. Payments to European countries have since 1950 risen by an average of \$28 million per year, and those to Mexico and the nearby Caribbean area went up by about the same amount.

Expenditures by foreigners for travel in the United States and for passage on United States ships and planes amounted to \$600 million in 1952. The 1946-52 rise averaged \$48 million per year, and that since 1950 averaged \$76 million. Thus, during the latest years the rise in expenditures in the United States was slightly larger than the increase in United States expenditures abroad, so that net expenditures have declined slightly to about \$400 million.

Most of the rise in foreign expenditures here during recent years was due to increased travel by Canadians in this country. The abolition of exchange controls in that country and the appreciation of the Canadian dollar may have contributed to the acceleration.

Travel capacity to Europe rises

The greatest rise in United States travel outlays, in both absolute and relative terms, occurred in the European and Mediterranean area where American expenditures increased by 30 percent over 1951, when expenditures were unusually low. The rise over 1950 was only 14 percent, as indicated in table 1. The sharp gain from 1951 to 1952 reflected an increase in numbers of travelers; per capita expenditures remained approximately unchanged. A large portion of the rise in travel volume resulted from the introduction of tourist-class air transportation in the spring last year. This significantly increased the capacity available for travel to Europe.

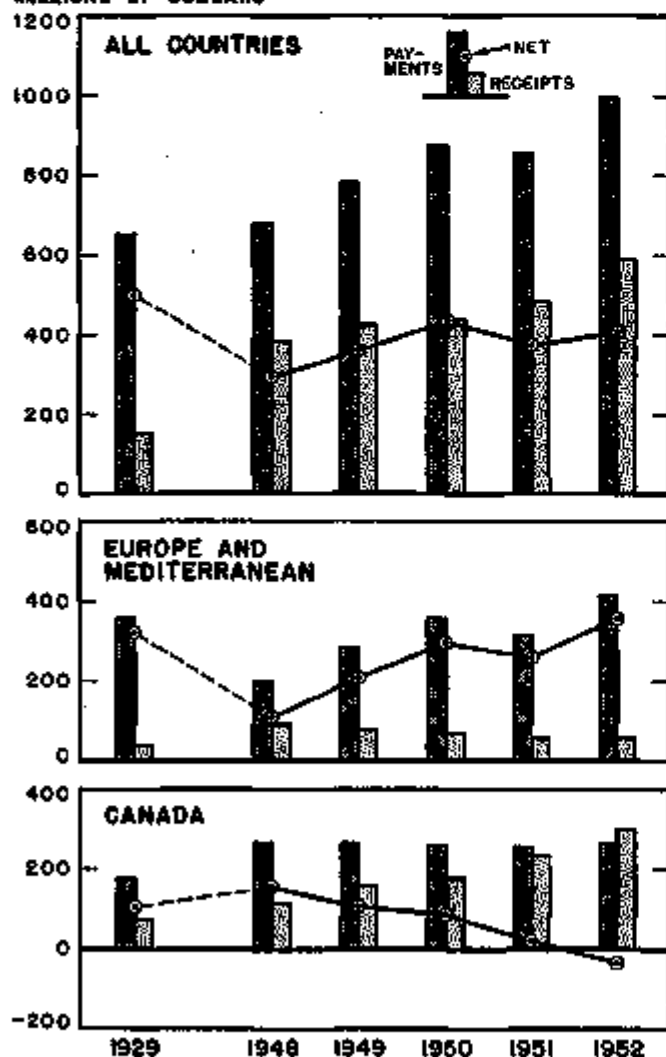
From January to April 1952, before the inception of tourist-class air transportation, citizen departures for Europe by sea were up by 57 percent over the comparable months of 1951, while air departures showed an increase of 22 percent. For the period May through December, corresponding increases over 1951 were 29 percent for sea and 73 percent for air. As illustrated in the accompanying chart, the largest 1952 increase in total sea and air departures occurred during the May-December period.

Space availability for outbound traffic was a limiting factor on departures by sea in June and by air in July. Certain types of space on ships—cabin class, for example—seem to have been fully utilized for longer periods.

In each January-March and September-December period of the years 1950 to 1952, between 40 and 50 percent of all Americans traveling to Europe went by air. In April there was a sharp decline to under 30 percent, the proportion remaining under 40 percent until September. However, the period from May to August 1952 shows a considerably higher ratio of air travel than corresponding months

International Travel, Including Fares, Nets \$400 Million Annually to Foreigners

MILLIONS OF DOLLARS



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

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of the previous years, indicating the results of the introduction of tourist-class air transportation.

Limitations in transport capacity were in part overcome by a lengthening of the travel season last year. Significant reductions in fares for off-season travel helped to stimulate this development.

Travel to Europe hits postwar peak

More native-born travelers used planes than ships for transatlantic crossings, while the larger part of the foreign-born Americans traveled by sea, perhaps because ships provide transportation at lower costs than planes. A preference for foreign carriers also seems to exist among foreign-born travelers. This choice may be due in part to the opportunity thereby afforded to foreign-born residents to utilize, for payment of fares, funds in foreign countries which cannot be exchanged for dollars.

Although the number of American residents departing for Europe last year represented a new high for the postwar period, it still fell short of the prewar peak reached in 1929-30. The long-term downward trend in travel to Europe by the foreign-born population of the United States—which last year still comprised nearly 50 percent of the travelers—was not quite offset by the rising number of native-born Americans traveling to Europe.

Native-born travelers spend more in 1952

The lower average per capita expenditure by foreign-born (although their average stay in Europe was three weeks longer than that of native-born) may be accounted for by the relatively larger number that visit friends and relatives and stay in their homes. About three-fourths of foreign-born travelers reported having visited relatives and friends, as compared to only about one-tenth in the native-born group.

When traveling for the same purpose, foreign and native-born travelers spend about the same amount. However, the large preponderance of visits to friends and relatives on the part of foreign-born lowers their average per capita expenditure to less than 60 percent of those of native-born.

Expenditures in Europe rise

The shift in travel population from foreign to native-born has tended to raise average travel expenditures in Europe. This tendency may be obscured, however, by other factors such as changes in incomes and prices.

The 1950-52 increase in average expenditures was primarily among air travelers.

Influenced by rising prices and the greater availability of local merchandise, per diem expenditures of travelers rose by about 15 percent during 1950-52. However, as the time spent abroad was shorter, the average expenditures per trip did not increase proportionately.

One-third of the travelers to Europe and the Mediterranean area during 1952 resided in the state of New York (table 4) and nearly one-third came from other States along the eastern seaboard. California, Illinois, and Michigan rank high as States-of-residence of travelers, due to their high foreign-born population. It is significant that 9 States—having 47 percent of the total population, but nearly 70 percent of the foreign-born population—provided over 75 percent of European travelers.

France receives large share

France last year again received the major share of American travel expenditures in Europe, receipts being sufficient to

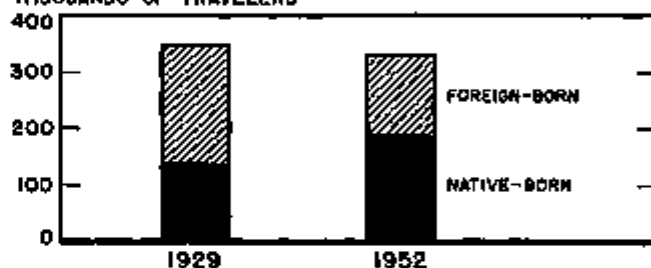
finance nearly one-third of the deficit with the United States arising from trade of nonmilitary merchandise. The increase in the numbers of travelers more than offset a slight drop from the preceding year in average expenditures (table 5).

The United Kingdom received a smaller share of American travel expenditures in 1952 than in any other recent year. This reflected a decline in average expenditures, due in part to shorter stays in the area. Proportionately fewer Americans traveling in Europe visited Britain last year. This relative decline, however, was more than offset by increased payments of passenger fares to British international carriers.

Added transportation facilities to southern Europe in 1952 resulted in a relative increase in American travel to Italy,

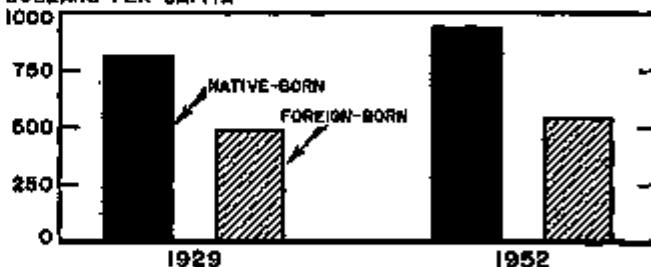
Increase in European travel by native-born Americans partly offset decline in travel by foreign-born

THOUSANDS OF TRAVELERS



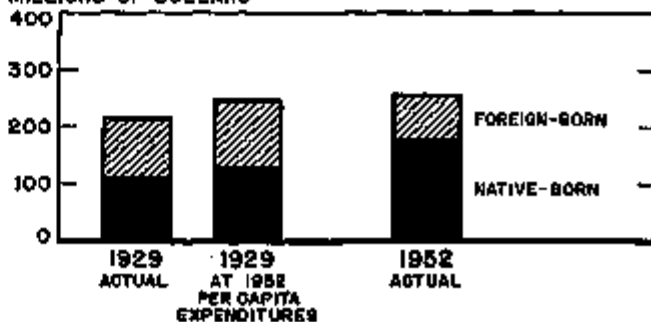
Native-born travelers spent more per capita in Europe than foreign-born . . .

DOLLARS PER CAPITA



thus contributing to rise in travel expenditures in Europe

MILLIONS OF DOLLARS



Spain and Portugal. Italy in particular benefited also from a sharp increase in travel to Israel.

Travel payments to Germany increased more than those to any other European country. Additional direct steamship facilities direct to German ports accounted for a portion of this increase. Another factor may have been the abolition of special permits by the occupation authorities in 1951.

Travel to other areas stable

Expenditures for travel in Mexico rose to a new high last year, with a large gain in expenditures in border towns. Expenditures in the interior of Mexico increased only slightly over 1951.

The rate of increase in the numbers of travelers to the interior of Mexico from 1950 to 1951 was not maintained in

Table 1.—Estimated Numbers and Expenditures of United States Residents Traveling in Foreign Countries, 1950-52¹

	Number of travelers (thousands)			Expenditures (millions of dollars)		
	1950	1951	1952	1950	1951	1952
All countries.....	(*)	(*)	(*)	727	722	822
Canada.....	(*)	(*)	(*)	281	255	278
Mexico.....	(*)	(*)	(*)	145	189	180
Total overseas areas.....	474	484	775	321	369	374
Europe and Mediterranean.....	302	255	222	225	195	256
West Indies and Central America.....	329	275	282	60	76	78
South America.....	38	42	40	32	35	25
Other overseas countries.....	13	12	19	13	12	16

Note.—Details will not necessarily add to totals because of rounding.

*Not available.

1. Estimates exclude fare payments to United States and foreign carriers for travel between the United States and noncontiguous foreign countries. In the case of estimates for travel expenditures in Canada and Mexico, train and bus fare reported on the basis of the mileage covered in each country and plane and boat fares paid to Canadian or Mexican carriers are included with estimated travel expenditures in Canada and Mexico. All estimates exclude travel expenditures by military personnel stationed abroad, employees of the United States Government and international agencies, and persons employed abroad, and include shore expenditures of, but not the number of, cruise passengers.

Source: U. S. Department of Commerce, Office of Business Economics, based on questionnaire returns; numbers based on data of U. S. Department of Justice, Immigration and Naturalization Service.

Table 2.—Estimated Expenditures and Numbers of United States Residents Traveling in Europe and the Mediterranean Area, 1952, by Quarter¹

	Total expenditures (millions of dollars)	Number of travelers (thousands)	Average expenditures (dollars)	Average length of stay (days)	Average per diem expenditures (dollars)
Total United States residents:					
First quarter.....	26	39	657	67	9.70
Second quarter.....	78	92	855	53	16.25
Third quarter.....	107	144	745	37	13.06
Fourth quarter.....	44	57	700	57	11.43
Total.....	255	342	767	59	13.09
Sea.....	150	194	800	70	11.51
Air.....	100	138	722	43	16.57
Native-born residents:					
Total.....	177	188	939	48	38.37
Sea.....	105	102	1,024	38	17.09
Air.....	75	86	851	39	21.28
Foreign-born residents:					
Total.....	79	144	548	71	7.74
Sea.....	51	92	558	82	6.72
Air.....	28	52	530	38	10.78

1. Passenger fares and Government travel are excluded; for detailed treatment see footnote to table 1.

Source: U. S. Department of Commerce, Office of Business Economics, based on questionnaire returns.

1952. In the last quarter of 1952 the number of travelers fell below that of the comparable period of 1951. This may possibly be the beginning of a leveling-off process similar to that which took place in Canada between 1948 and 1951. Expenditures in Canada started to rise last year, and have continued up during the first months of the current year.

Travel payments to the West Indies and Central America remained virtually the same as in 1951 except for increases in payments to the British Western Hemisphere possessions.

Table 3.—Size Distribution of Travel Expenditures of United States Residents in Europe and the Mediterranean Area, Third Quarter, 1952¹

Expenditure group	Percent of residents in each group		
	Native-born	Foreign-born	All residents
Under \$126.....	4.4	18.5	9.4
\$126-\$375.....	16.7	38.0	25.0
\$375-\$625.....	19.9	22.2	21.0
\$625-\$875.....	16.8	9.7	13.0
\$875-\$1,150.....	13.5	8.9	10.5
\$1,150-\$1,450.....	10.1	3.0	6.8
\$1,450-\$1,750.....	7.5	2.0	5.0
\$1,750-\$2,250.....	6.2	1.1	4.0
Over \$2,250.....	4.0	.6	2.8
Total.....	100.0	100.0	100.0

1. Expenditures reported by travelers in questionnaire sample were tabulated by frequency intervals; because of tendency of travelers to report rounded amounts, intervals were chosen so that frequently reported amounts fall close to the center of the interval.

Source: U. S. Department of Commerce, Office of Business Economics.

Table 4.—State of Residence of United States Residents Returning During 1952 at the Port of New York From Europe and the Mediterranean Area, by Percentage

Area or state of residence	Percent	Area or state of residence	Percent
New England.....	8.6	Southwest.....	2.2
Connecticut.....	3.2	Central.....	17.8
Massachusetts.....	4.4	Illinois.....	5.0
Middle East.....	22.5	Michigan.....	3.0
New Jersey.....	8.0	Ohio.....	3.7
New York.....	32.7	Northwest.....	2.4
Pennsylvania.....	9.8	Far West.....	0.6
Southwest.....	6.4	California.....	8.2

Note.—Data compiled from tabulations of passenger manifests at the port of New York. For grouping of states into areas, see August 1952 issue of the Survey of Current Business, page 11.

Source: U. S. Department of Commerce, Office of Business Economics.

Table 5.—Number and Expenditures of United States Residents Traveling in Europe and the Mediterranean Area, 1950-52, Total and Selected Countries¹

Country	Number of travelers (thousands)			Total expenditures (millions of dollars)			Average expenditures per trip (dollars)		
	1950	1951	1952	1950	1951	1952	1950	1951	1952
Europe and Mediterranean.....	302.0	255.0	332.0	225.0	195.0	256.0	742	750	707
France.....	154.8	144.4	182.4	68.0	45.5	68.0	339	337	370
United Kingdom.....	137.2	123.8	158.6	37.0	28.5	41.0	270	283	280
Italy.....	130.4	100.7	144.5	30.9	24.0	30.5	233	237	244
Switzerland.....	94.2	80.1	114.0	19.9	16.5	21.6	187	193	190
Germany.....	72.5	68.5	101.2	14.5	15.5	23.5	200	226	220
Benelux.....	75.9	60.0	85.0	18.5	9.0	11.5	149	133	135
Scandinavia.....	35.0	35.0	47.5	13.0	11.0	14.0	344	306	308
Eire.....	26.9	15.4	23.5	6.0	4.0	4.5	243	218	184
Other Western Europe.....	57.9	54.0	84.0	18.6	12.0	22.5	228	223	248

1. Passenger fares and Government travel are excluded; for detailed treatment, see footnote to table 1.

Source: United States Department of Commerce, Office of Business Economics, based on questionnaire returns.